Q4

Initiator Pharma

INTERIM REPORT JANUARY - DECEMBER

2025

BUSINESS HIGHLIGHTS

Business highlights in Q3 2025

- In November the Company announced that its Clinical Trial Application (CTA) for a planned Phase IIa clinical proof-of-concept study in women with vulvodynia had been approved by the UK Medicines and Healthcare products Regulatory Agency (MHRA) and a local ethics committee.
- In December the Company initiated patient enrollment in its Phase IIa clinical proof-of-concept study evaluating pudafensine in women suffering from vulvodynia. Dosing of the first patients is expected to begin in January 2026, and completion of the study is projected by the end of 2026.

Business highlights after this reporting period

- The European FSD patent (EP4551221B1) was granted 18 Feb 2026.

Financial Highlights

Initiator Pharma A/S is a Danish registered company, and is reporting its financial situation in Danish kroner (DKK).

TDKK	Q4-2025	Q4-2024	FY-2025	FY-2024
Net sales	-	-	-	-
Total operating expenses	-6,966	-2,701	-17,781	-14,502
Operating profit/loss	-6,966	-2,701	-17,781	-14,502
Net result	-2,920	-851	-13,687	-12,932
Earnings per share before and after dilution (DKK)	-0.04	-0.02	-0.20	-0.23
Cash flow from operating activities	-2,430	1,503	-17,767	-12,080

TDKK	Q4-2025	Q4-2024	31.12.2025	31.12.2024
Cash and cash equivalents	26,245	13,371	26,245	13,371
Equity	29,546	14,782	29,546	14,782
Total equity and liabilities	32,974	15,292	32,974	15,292
Equity ratio, %	90 %	97 %	90 %	97 %
Number of shares outstanding	*68,452,892*	*56,158,361*	*68,452,892*	*56,158,361*
Number of shares, diluted	*68,452,892*	*56,815,861*	*68,452,892*	*56,815,861*
Average number of shares outstanding	*68,452,892*	*56,116,167*	*62,296,720*	*55,624,734*
Average number of shares, diluted	*69,110,392*	*57,317,200*	*62,954,220*	*57,267,470*

LETTER FROM THE CEO

In the fourth quarter of 2025, Initiator Pharma successfully transitioned from clinical preparation to clinical execution, marking a defining milestone in the company's development. Following the UK regulatory and ethics approval received in November, we initiated patient enrolment in our randomized, placebo-controlled Phase IIa proof-of-concept study with our lead asset pudafensine in 24 women suffering from vulvodynia, a debilitating neuropathic pain condition with no approved therapies and a substantial unmet medical need. We have now dosed the first patients in the study, thereby formally commencing our first clinical program in vulvodynia and entering a new and highly important phase for Initiator Pharma.

Focus on pain and sexual health in both men and women

We remain firmly convinced of the potential of our portfolio and are highly focused on delivering strong clinical data in areas where our compounds can offer meaningful benefits to patients, with a particular focus on pain and sexual health in both men and women. Pudafensine is a unique dopamine modulator with a differentiated dual mechanism of action, increasing central dopamine levels to alleviate pain while simultaneously addressing sexual dysfunction. No other compound in development combines these properties in a single molecule. Importantly, pudafensine has previously demonstrated a solid safety profile in more than 100 patients dosed in clinical trials in erectile dysfunction, providing a strong foundation as we now advance into a new therapeutic indication.

First patients dosed in the vulvodynia Phase IIa study

One of our main priorities is the progress of the ongoing randomized, placebo-controlled Phase IIa study evaluating the pain-relieving effects and safety of single oral doses of pudafensine in women suffering from vulvodynia. Following approval from UK regulatory and ethics authorities in late fall, patient enrolment is now underway, and we have already dosed the first patients. The four-way crossover design allows each participant to receive both pudafensine and placebo during separate treatment periods, enabling robust and directly comparative data generation. Based on current recruitment expectations, we continue to anticipate reporting topline results in late 2026.

The vulvodynia study builds on the encouraging results from our previous pain challenge trial. We aim to generate first clinical proof-of-concept data in this neuropathic pain condition, establishing pudafensine as a first-in-class treatment in a field where patients currently have no approved therapeutic options. If successful, pudafensine has the potential to become the first approved pharmacological treatment for vulvodynia. Beyond vulvodynia as a first indication, we see significant follow-on opportunities across a broad range of neuropathic pain conditions over time, supporting substantial long-term value creation.

Collaboration with MAC Clinical Research

The study is conducted in close collaboration with our UK-based partner and shareholder, MAC Clinical Research, and is primarily financed through a convertible credit agreement of up to GBP 2.5 million.

LETTER FROM THE CEO

This structure continues to provide important strategic advantages, demonstrating MAC's strong commitment and confidence in our assets while enabling capital-efficient clinical execution. MAC's extensive experience within sexual health and pain, combined with its broad clinical site network, supports efficient patient recruitment and high-quality study conduct. I am pleased with the strong progress achieved so far and encouraged by the operational execution of the trial.

Business development remains a core priority

In parallel with clinical execution, we continued to strengthen Initiator Pharma's strategic positioning during the quarter and into early 2026. In January, we were present at the J.P. Morgan Healthcare Conference in San Francisco, which remains the most important annual gathering for the global life science industry. The conference provided valuable opportunities to engage with potential partners and investors and to present our clinical strategy and portfolio, with particular focus on the vulvodynia program and our advanced erectile dysfunction assets. Business development remains a core priority, and we are actively pursuing partnering discussions to maximize the value of our pipeline.

Strengthened and extended IP position

In February 2026, we further strengthened the long-term commercial foundation of Initiator Pharma through the grant of a European patent covering pudafensine for the treatment of Female Sexual Dysfunction. This important milestone reinforces the breadth and durability of our intellectual property portfolio and underlines the innovative potential of pudafensine beyond erectile dysfunction. Strong patent protection remains a key pillar of our strategy as we advance our programs and engage in future partnering and commercialization discussions.

Looking ahead, 2026 will be a highly significant year for Initiator Pharma. With patient dosing underway in our Phase IIa vulvodynia study, continued business development activities, and a strengthened intellectual property position, we are well positioned to deliver meaningful progress and value creation. I would like to thank our shareholders, partners, and employees for their continued support and commitment as we work toward bringing new treatment options to patients with significant unmet medical needs.

Copenhagen, February 20, 2026

Claus Elsborg Olesen
CEO

ABOUT INITIATOR PHARMA

Initiator Pharma *is a clinical stage emerging pharma company developing innovative drugs that target key unmet medical needs within the central and peripheral nervous system. The company's pipeline includes two clinical-stage assets—pudafensine and IP2018—alongside one preclinical program. Pudafensine is currently being evaluated in a Phase IIa clinical trial in vulvodynia, a neuropathic pain condition without any approved therapies. The company has previously reported positive proof-of-principle in a clinical Phase 1 pain challenge study, supporting the further progression in neuropathic pain. The company has also reported positive, statistically significant, and clinically meaningful results from a 130-patient Phase IIb trial of pudafensine in erectile dysfunction (ED) of organic origin. IP2018 has been developed for the treatment of mild to moderate psychogenic ED, supported by positive clinical proof of concept data. Both pudafensine and IP2018 are currently under investigation as potential treatments for female sexual dysfunction (FSD), further expanding their therapeutic potential.*

Vision

Initiator Pharma´s vision is to become a leading emerging pharma company developing novel therapeutics within the field of mono-amine reuptake transporters targeting CNS-disorders with significant unmet medical needs.

Business model

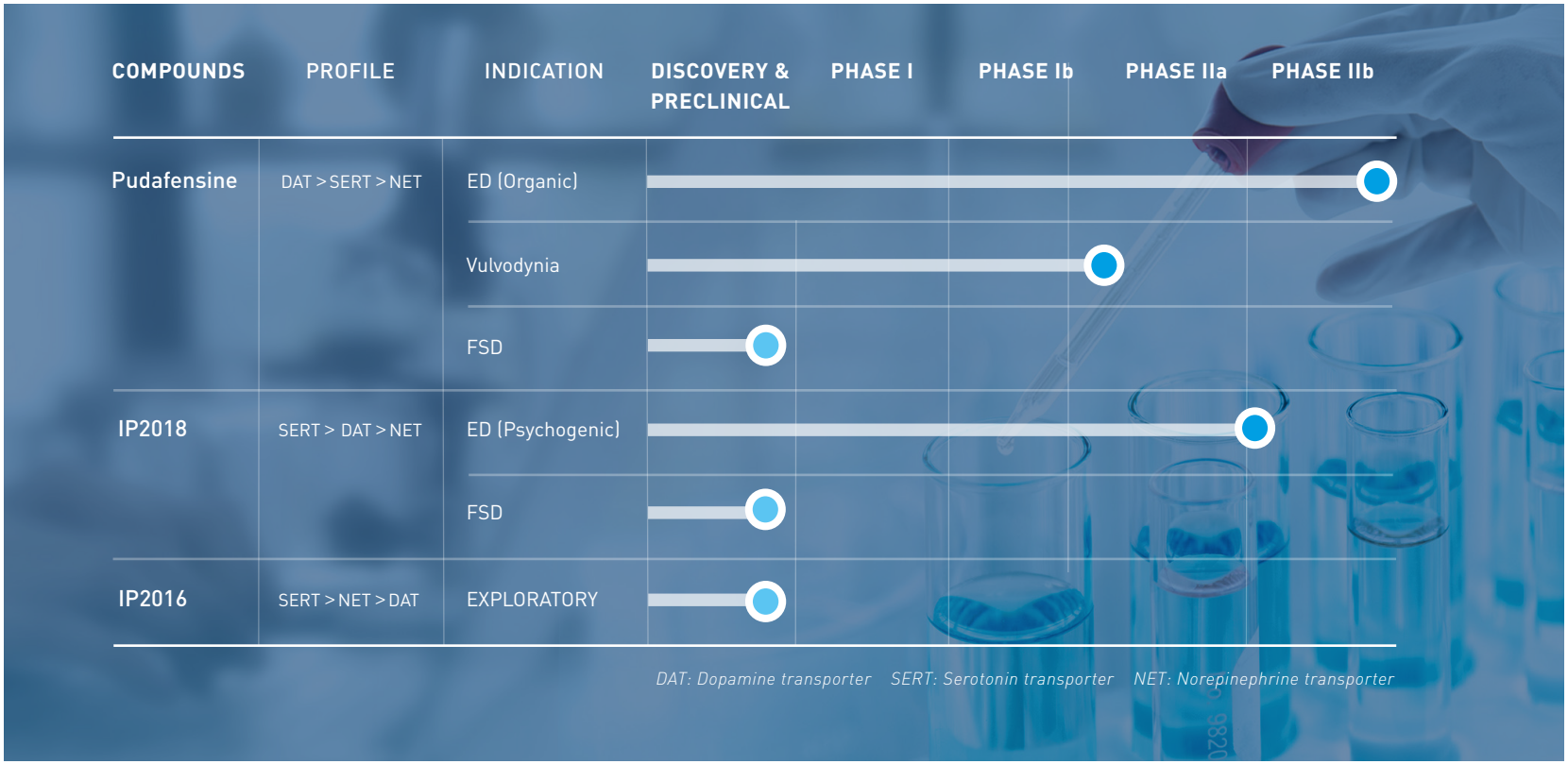
The company aims to commercialize its research efforts through internal development of selected programs through the early phases of clinical drug development, before out-licensing to pharmaceutical companies who will take over the further development of Initiator Pharma's programs and typically with upfront and development milestone payments as well as royalty payments on product sales.

Initiator Pharma aims to progress its portfolio of drug candidates to key value inflection points, where the company anticipate significant partnering interest from international pharma industry for the further development of the company's drug candidates.

PROJECT PORTFOLIO

Initiator Pharma has three drug candidate assets, pudafensine (IP2015), IP2016, and IP2018, all belonging to the class known as monoamine reuptake inhibitors. Pudafensine is the company's most advanced asset and current development focus.

The development status of all three candidates is outlined below:



PUDAFENSINE

Pudafensine:

Pudafensine, Initiator's most advanced asset, is a monoamine reuptake inhibitor primarily targeting the dopamine system. Pudafensine is being developed for both the Neuropathic pain condition Vulvodynia and treatment resistant organic Erectile Dysfunction (ED).

Pudafensine is currently being evaluated in a Phase IIa clinical trial for the treatment of vulvodynia, and the clinical trial is expected to be completed by year end. The development of pudafensine for the treatment of vulvodynia is backed by promising efficacy data already demonstrated in a healthy volunteer pain challenge study.

The randomized, placebo-controlled Phase IIa study will enroll 24 women with vulvodynia. Using a four-way crossover design, each participant will receive single oral doses of pudafensine and a placebo across different treatment periods, separated by washout intervals. The study will focus on the assessment of pain-relieving effects and the safety of pudafensine.

The crossover study design offers several advantages, including reduced variability by having each participant serve as her own control, and the ability to compare pudafensine against placebo in the same patient population directly. This approach allows for meaningful results from a smaller cohort, making it particularly well-suited for proof-of-concept studies in pain and sexual dysfunction.

Vulvodynia/Neuropathic pain

Vulvodynia is pain in the vulva without a clear identifiable cause that lasts longer than 3 months and is considered a long-lasting, chronic pain condition (Bornstein 2016). The pain of vulvodynia may be described as itching, burning, or stabbing and is often accompanied by dyspareunia (pain during intercourse) (Bornstein 2016).

Women living with vulvodynia experience excruciating pain during routine activities such as walking, sitting, or even wearing tight-fitting pants. Many are unable to use tampons or engage in sexual activities and intercourse, profoundly affecting their quality of life, intimacy, and relationships. Partners also tend to suffer from anxiety and depression symptoms as well as sexual dysfunction (MyrtveitÐStensrud 2023).

The two most important factors leading to the profoundly impaired quality of life in vulvodynia patients are the chronic pain in the vulva and impaired sexual function (Bohm-Starke 2024).

Vulvodynia represents a significant unmet medical need, affecting approximately 10% of females, equivalent to at least 18.5 million women over 18 years in the EU alone (Eurostat 2023, Patla 2023). Despite its high prevalence, there are currently no approved medical therapies. The treatments used often carry unacceptable side effects and have poorly documented efficacy.

Women with vulvodynia endure severe physical pain, emotional distress, and societal stigma due to a lack of effective treatment options. Current therapies are mainly off-label, frequently inadequate, and often accompanied by undesirable side effects. As many as 73% of patients try multiple (off-label) therapies in their search for relief (Lamvy 2018). Despite multiple prescribed therapies, many patients (~70%) remain inadequately treated (Patla 2023).

PUDAFENSINE

They are experiencing high pain scores, averaging 6.7 out of 10 (Schlaeger 2023), and as many as 64% report the worst quality of life score (Patla 2023). This chronic pain condition not only limits daily activities but also severely impairs sexual function, impacting the partners and incurring significant healthcare costs (Lua 2017, Xie 2012).

Clinicians confirm that existing treatments are mostly ineffective and often have significant side effects, creating a clear readiness to adopt innovative therapies like pudafensine. There is strong evidence of willingness to pay for a novel vulvodynia treatment, driven by a significant unmet medical need and the complete absence of approved or consistently effective therapies. A Commercial Assessment Report on pudafensine by Global Life Sciences highlights consistently positive feedback from prescribing clinicians, positioning pudafensine as a potential first-line therapy with blockbuster potential.

The economic burden of vulvodynia is significant, with direct annual healthcare costs exceeding $50 billion in the US alone. Informed by feedback from prospective prescribing clinicians, payer insights, and benchmarking against comparable conditions, we have modeled net annual pricing at approximately $4,000 to $4,500 in the U.S. and Đ900 to Đ1,000 in the EU4 and UK.

Even under conservative assumptions regarding pricing and market penetration, the base case scenario projects combined peak sales of $1.6 to $1.8 billion across US and EU4 + UK. In an upside scenario—with more effective market development and adoption—peak sales could exceed $2.4 to $3.5 billion.

Pudafensine's dual mechanism of action, targeting both central pain regulation and sexual function, makes it uniquely suited to fill this therapeutic gap and become the first truly effective treatment option.

Organic Erectile Dysfunction

Pudafensine is positioned as a novel drug candidate for the treatment of patients suffering from organic ED that do not respond to the currently marketed drugs in the PDE5i class (e.g. Viagra®, Cialis®, Levitra®). Pudafensine - by having a dual action, both a central effect initiating erection and a peripheral effect potentiating erection through smooth muscle relaxation - is unique and aimed for treatment of ED in patients suffering from ED due to metabolic syndrome and diabetes.

The clinical positioning of pudafensine is to improve the quality of life for a large number of patients (and their partners) who do not respond or cannot be treated with currently marketed drugs (PDE5 inhibitors) for ED. It is estimated that this represents 150 million men worldwide [1].

In October 2023, Initiator reported statistically significant and clinically relevant efficacy in ED-related endpoints and no observations of critical adverse events from its Phase IIb clinical trial with pudafensine for the treatment of ED. The positive results, both regarding efficacy and safety, support further development of pudafensine aiming at registration and launch in this patient group with significant unmet medical need.

PUDAFENSINE

The Phase IIb trial was a randomized, double-blind, placebo-controlled, parallel-dosing group trial studying the efficacy and safety of high and low doses of pudafensine and placebo in otherwise healthy patients suffering from moderate to severe ED. The study comprised 130 patients divided into 3 parallel arms receiving a higher and a lower dose of pudafensine and placebo, respectively, with treatment duration of 4 weeks with frequent assessments of ED, safety and pharmacokinetics. The study was conducted at the MAC clinical sites in the UK.

Erectile Dysfunction (ED) Market

The number of ED patients is estimated at more than 300 million men worldwide. About 30–40% of these patients do not respond to current PDE5 inhibitor treatment and represent a significant unmet medical need. This is Initiator Pharma's primary target group, clearly differentiating pudafensine from the PDE5 inhibitor drugs where patent expiry results in increasing price pressure from generics. Initiator Pharma strongly believes that targeting the PDE5 inhibitor non-responders will allow for premium pricing for pudafensine and thereby generate substantial commercial value.

IP2018

IP2018: IP2018 is a monoamine reuptake inhibitor for the treatment of psychogenic ED (mainly caused by anxiety and depression) mainly targeting the serotonin instead of the dopamine system. IP2018 is differentiated from the company's frontrunner pudafensine for organic ED (mainly caused by diabetes and age) that is primarily targeting the dopamine system:

- IP2018 is positioned to treat patients suffering major depressive disorder where the majority also suffer from comorbid sexual dysfunction or treatment-emergent sexual dysfunction.
- IP2018 has demonstrated an excellent safety profile in a single dose study and the proof of mechanism PET study, confirming the safety and the mechanism of action of the company's extensive package of preclinical data.
- IP2018 is efficacious in animal models of depression (forced swim and tail suspension tests) and ED (intracavernosal pressure to mean arterial pressure ratio) as well as in several mouse anxiety models.
- IP2018 is targeting a clear unmet medical need as up to 68% of patients with major depressive disorder suffer from sexual dysfunction, for which only 5% to 30% is resolved with antidepressant treatment

IP2018 raises the serotonin levels in the brain, and in its preclinical trials, Initiator Pharma has shown that IP2018 has an effect on both depression and ED, which is a clear differentiation from other antidepressants on the market today. In June 2023 Initiator announced positive, statistically significant, and dose-dependent clinical observations related to efficacy in psychogenic ED and no observations of serious or critical adverse events in patients with mild to moderate ED.

The Phase IIa trial was a randomized, double-blind, placebo-controlled, 3-way crossover trial studying the efficacy and safety of a low and a high dose of IP2018 as well as a placebo in young, depressed patients who have ED. The primary objective of this study was to investigate the effects of IP2018 on penile rigidity and tumescence using a visual sexual stimulation test. Twenty-four patients with mild to moderate depression and ED completed the study. The high dose of IP2018 in single oral administration increased penile tumescence (p=0.04) and duration of rigidity (p=0.025) in a statistically significant way, sufficient for intercourse. The effect of IP2018 on ED was dose-dependent.

Depression Market

Psychogenic ED, which is the inability to achieve or maintain an erection during sexual intercourse due to psychological factors. Up to 68% of patients undergoing treatment for depressive disorder also suffer from sexual dysfunction. The patient segment thus represents a clear unmet medical need. IP2018 has the potential to help these patients and significantly increase their quality of life. In addition, IP2018 broadens the scope of Initiator Pharma pipeline, including fourth-in-class treatments for psychogenic and organic ED, IP2018 and pudafensine, respectively.

The main treatments for depression are drugs that selectively inhibit the uptake of serotonin (SSRIs) or serotonin and norepinephrine (SNRIs) or the breakdown of serotonin, norepinephrine and dopamine by inhibiting monoamine oxidase. Antidepressants such as SSRIs and SNRIs have a negative effect on male sexual function. Although the incidence of sexual dysfunction is lower with certain atypical antidepressants, such as bupropion, mirtazapine and vortioxetine, compared to SSRIs,

IP2018

it is nevertheless important to treat sexual dysfunction induced by antidepressant drugs (treatment-induced sexual dysfunction). In one study, it was observed that 41.7 percent of men discontinued psychiatric medication due to perceived sexual side effects [2]. Between 14 and 35 percent of young men have experience with ED, which may be due to performance anxiety, depression, schizophrenia, or other mental disorders [3]. About 13 percent of all Americans take antidepressant drugs, which means over 23 million prescriptions per year [4]. The global Anxiety Disorder and Depression Treatment Market is forecasted to grow at an annual rate of 2.4 percent from USD 15.8 billion in 2019 to USD 19.2 billion in 2027 [5]. The largest players are Pfizer, Eli Lilly, GlaxoSmithKline, AstraZeneca and H Lundbeck A/S, accounting for more than 60% of antidepressants sold. All are facing major patent expirations in the next few years, and generics and biosimilars are expected to hit revenues hard. All drugs currently on the market have been associated with ED to varying degrees, and this underlines the need to develop a better alternative.

[1] *Alberson M, Orabi H, Lue T. Evaluation and treatment of erectile dysfunction in the aging male: a mini-review. Gerontology. 2012;58:3-14.*

[2] *Rosenberg, K. P., Bleiberg, K. L., Koscis, J., & Gross, C. (2003). A survey of sexual side effects among severely mentally ill patients taking psychotropic medications: impact on compliance. Journal of Sex &Marital Therapy, 29(4), 289-296.5.*

[3] *Quilter M, Hodges L, von Hurst P, Borman B, Coad J. Male sexual function in New Zealand: a population-based cross-sectional survey of the prevalence of erectile dysfunction in men aged 40-70 years. J Sex Med. (2017) 14:928–36. doi: 10.1016/j.jsxm.2017.05.011.*

[4] *Pratt, L. A., Brody, D. J., & Gu, Q. (2017). Antidepressant Use among Persons Aged 12 and Over: United States, 2011-2014. NCHS Data Brief. Number 283. National Center for Health Statistics.*

[5] *Reports and Data. "Anxiety Disorder and Depression Treatment Market By Therapies" (2020), https://www.reportsanddata.com/report-detail/anxiety-disorder-and-depression-treatment-market.*

FEMALE SEXUAL DYSFUNCTION (FSD)

Female sexual dysfunction Program (pudafensine and IP2018):

Female sexual dysfunction (FSD) includes a range of issues such as hypo-sexual Hypoactive sexual desire disorder (low libido), difficulty achieving arousal, pain during intercourse, and inability to reach orgasm. Female Hypoactive sexual desire disorder (HSDD) in the US occurs in 10% of women, independent of age. FSD can profoundly affect the individual's quality of life and relationships due to the distress, low self-esteem, and anxiety it causes. There are medical treatment options for young women with FSD, but despite the current options, a large unmet need is to restore the desire for an intimate relationship with the partner. Initiator will investigate the potential for its products with a priority on postmenopausal women with FSD, where there currently is no available treatment option.

Pudafensine and IP2018 offer the potential as fourth-line treatment options in postmenopausal generalized, acquired HSDD – where it would be positioned as the fourth approved therapy. Both products offer the potential of clear differentiation from current FSD drugs, with the key differentiators:

- Non-hormonal mechanism of action
- Clean safety/tolerability, no drug interaction or contraindication issues (as shown in completed trials in men with ED)
- Convenient, oral, on-demand dosing
- Potentially improved efficacy to Addyi and Vyleesi (currently only approved for use in HSDD in premenopausal women)

During the last two years, Initiator has internally investigated its phase II drug candidates, pudafensine and IP2018, currently developed in two types of male ED, in preclinical models for FSD. Significant efficacy has been shown for both pudafensine and IP2018 in the animal models tested for FSD. The tested models are highly relevant and offer a way to predict efficacy in the clinical setting.

The commercial potential within the FSD area is considered to be very attractive. An analysis of the commercial assessment has concluded that a product for underserved women suffering from FSD/HSDD should have potential to reach peak sales of at least USD 2 billion. Initiator Pharma is initially exploring the opportunity with a priority on postmenopausal women with FSD, where there currently is no available treatment option.

PATENT PROTECTION

Pudafensine

Intellectual Assets of Initiator Pharma includes patents conferring proprietary chemistry protection for pudafensine (IP2015) in the USA until 2031. In addition to composition of matter protection, the company protects medical uses of pudafensine for the treatment of Female Sexual Dysfunction (FSD) including vulvodynia in major markets worldwide, including via the recently granted European patent. A patent has also been granted in South Africa, while applications are pending in other major jurisdictions. This patent family can be kept in force until 2043.

Further medical use protection covers a specified dosage regime of pudafensine for the treatment of all types of pain, including vulvodynia, as well as for the treatment of erectile dysfunction. Applications are pending in major markets worldwide. When granted, these patent families can be kept in force until 2043 and 2044, respectively.

Initiator Pharma has also developed an extended release and an immediate release formulation of pudafensine, protected by two patent families recently entered into national phase in major markets worldwide. The European Patent Office has acknowledged patentability of both families, which provides the possibility for extended composition of matter protection for pudafensine in clinically and commercially relevant formulations until 2044.

IP2018

Intellectual Assets of Initiator Pharma further include a patent conferring proprietary chemistry protection for IP2018 in the USA. Composition of matter patents in other jurisdictions expired in Q3/2025.
In addition, the company holds granted patents and pending applications protecting the medical use of IP2018 for the treatment of ED in depressive patients (psychogenic ED) in major markets worldwide.
This patent family can be kept in force until 2040. A further application directed to IP2018 for the treatment of Female Sexual Dysfunction (FSD) is also pending.

IP2016

The compound IP2016 is protected in its racemic and enantiomerically pure forms as composition of matter. The European Patent Office acting as International Searching Authority has acknowledged patentability for all pending claims. When granted, this patent can be kept in force until 2045. Initiator Pharma is actively pursuing a vigorous patent strategy to capture value of developments in its clinical and preclinical programs, by filing new patent applications when possible.

FINANCIAL REVIEW

Revenue

Initiator Pharma generated no revenues for the fourth quarter and for the full year 2025 (-).

Earnings

The company recognized an operating loss of TDKK 6,966 for the fourth quarter of 2025 (-2,701). The increase in operating costs for the fourth quarter compared to last year reflects the start-up of the Phase IIa clinical trial in vulvodynia with Pudafensine.

External R&D costs in the fourth quarter amounted to TDKK 2,780 compared to TDKK 65 in the same period in 2024. For the full year 2025 external R&D costs amounted to TDKK 4,096, compared to TDKK 1,778 in the same period in 2024.

Net financial income in the fourth quarter amounted to TDKK 1,037, compared to net financial expenses of TDKK 54 in the same period in 2024. The net financial income in the fourth quarter is related to currency fluctuations during the quarter, impacting the conversion of funds held in SEK into DKK at the close of the quarter. For the full year 2025 the net financial income amounted to TDKK 1,085 compared to net financial expenses of TDKK 334 for the same period last year.

The net loss after tax for the fourth quarter was TDKK 2,920 (-3,172) and earnings per share totaled to DKK -0.04 (-0.02). For the full year 2025 net loss after tax amounted to TDKK 13,687 (-12,081) and earnings per share DKK -0.20 (-0.23).

Financial position

The equity as of December 31 was TDKK 29,546 compared to TDKK 14,782 at year-end 2024. Cash and cash equivalents amounted to TDKK 26,245 as of December 31 compared to TDKK 13,371 at year-end 2024, and total assets were TDKK 32,974 compared to 15,292 at year-end 2024.

Cash flow

In the fourth quarter the total operating cash flow was TDKK -2,430 (1,503), incl. a positive change in working capital of TDKK 1,589 (TDKK -576). The positive change in working capital is related to pre-payments to MAC Clinical Research for the Phase IIa clinical trial in Vulvodynia with Pudafensine. For the full year the total operating cash flow was TDKK -17,767 (-12,079), incl a negative change in working capital of TDKK 2,935 (-2,078).

Cash flow from investment activities was TDKK 0 (0) in the fourth quarter and TDKK 0 (0) for the full year.

Cash flow from financing activities in the fourth quarter was TDKK 0 (-111) and TDKK 30,640 for the full year (1,115) and relates to the share issue completed in July as well as financing of part of the Phase II clinical trial costs through the announced convertible financing agreement with MAC Clinical Research.

Cash flow for the fourth quarter totalled to TDKK -2,430 (1,392) and TDKK -12,873 (-10,965) for the full year 2025.

Top 10 shareholders as of December 31, 2025		
Owners	**Number of shares**	**Shares %**
LINC AB	13,464,318	19.67 %
Adrigo Small and Midcap L/S	5,500,150	8.03 %
MAC Clinical Research Finance LTD	3,823,333	5.59 %
Avanza Pension	3,743,873	5.47 %
Håkan Kjellman	1,500,466	2.19 %
Claus Elsborg Olesen	1,430,125	2.09 %
Nordnet Pension Insurance	1,398,739	2.04 %
Dan Peters	1,346,544	1.97 %
Mats Thorén	956,473	1.40 %
Annika Espander Jansson	943,299	1.38 %
Ten largest shareholders	34,107,320	49.83 %
Other shareholders	34,345,572	50.17 %
Total	**68,452,892**	**100.00 %**

The share, share capital and ownership structure

As of December 31, 2025, the number of shares outstanding totalled to 68,452,892 shares and that same number on a fully diluted basis.

On December 31, 2025 the LTI2023 incentive program expired with no vested Performance shares. Following this the company has no outstanding incentive warrant programs.

As of December 31 the company had around 3,700 shareholders. The 10 largest shareholders in the company on December 31 owned 49.8% of all outstanding shares.

On May 19 the company announced a planned rights issue totalling up to 14,039,590 shares (1:4 existing shares) at a subcription price of SEK 4,00 per share, in total up to SEKM 56. 85% or SEK 48 million were secured in the form of presubscriptions from leading shareholders as well as guarantee commitments. On July 1 the company announced the outcome of the rights issue, with a total of 12,080,781 shares being subscribed for (86%), raising SEK 48.3 million to the company before issuing costs. On July 15 the company announced the issuance of 213,750 shares to guarantors that elected to have their guarantee fee in whole or in part paid out in new shares.

Under the convertible credit agreement with MAC Clinical Research financing up to ca GBP 2.5 million of the clinical trial costs associated with the Phase IIa clinical trial in vulvodynia with Pudafensine, MAC can convert the amount into shares at a pre-agreed share price of SEK 7.74. As of December 31, 2025 the balance of the convertible debt is DKKM 2.1.

Following the completion of the rights issue the company is expected to be financed well into 2027.

The shares in Initiator Pharma are traded on Nasdaq First North Growth Market in Stockholm.

Personnel

As of December 30, the number of employees was 1 (2), of which 0 (1) was a woman. Initiator Pharma follows a strategy of using an extensive network of consultants to support the development activities in the company. Such a strategy is well established in drug development and ensures the company the optimal balance of access to leading edge expertise, costs and flexibility.

FINANCIAL REVIEW

Dividend
The board of directors recommend that no dividend is paid out for the year 2025.

Operational risks and uncertainties
All business operations involve risk. Managed risk-taking is necessary to maintain good profitability. Risk may be due to events in the external environment and may affect a certain industry or market. Risk may also be specific to a certain company.

The main risks and uncertainties which Initiator Pharma is exposed to are related to drug development, the company's collaboration agreements, competition, technology development, patent, regulatory requirements, capital requirements and currencies.

No new risks have arisen during the quarter. A more detailed description of the company's risk exposure and risk management is included in the Annual Report for 2024.

Prerequisites for continued operation
This financial information has been prepared under the assumption of continued operations. The company has historically reported losses.The company's ability to meet its future liquidity needs is highly dependent on securing external capital. The board continuously evaluates different financing possibilities to ensure the continued operation of the business. The management and the Board of Directors are aware that there are uncertainties in the estimation of future cash flows as well as uncertainties in the financing of operations, however the board and management's assessment are that the company is well positioned to secure the necessary financing when need arises.

Audit review
This interim report has not been subject to review by the company´s auditor.

Certified Advisor
As a business listed on Nasdaq First North Growth Market Stockholm, the Company is obliged to have a Certified Advisor. Initiator Pharma has appointed Redeye Sweden AB as its Certified Advisor.

Financial calendar

Annual report 2025	Week of April 27, 2026
Interim Q1 2026 report	8 May 2026
Annual General Meeting 2026	29 May 2026
Interim Q2 2026 report	21 August 2026
Interim Q3 2026 report	20 November 2026
Year-end report 2026 (Q4)	26 February 2027

The financial reports will be disclosed on https://www.initiatorpharma.com/en/investors/financial-reports/

The Board of Directors and the CEO certify that this interim report provides a true and fair view of the operations, financial position and earnings of the Company and describes the material risks and uncertainties faced by the Company.

Copenhagen, February 20, 2026

Magnus Persson *Chairman*	***Annette Colin*** *Board member*
Peter Holm *Board member*	***Gunilla Ekström*** *Board member*
Göran Ando *Board member*	***Claus Elsborg Olesen*** *Board member and CEO*

FINANCIAL STATEMENTS

Statement of income

TDKK	Q4-2025	Q4-2024	FY-2025	FY-2024
Gross loss	-6,166	-1,966	-14,828	-11,073
Staff costs	-800	-735	-2,953	-3,429
Operating profit/loss	**-6,966**	**-2,701**	**-17,781**	**-14,502**
Net financial items	1,037	-54	1,085	-334
Profit/loss before tax	**-5,929**	**-2,755**	**-16,696**	**-14,836**
Tax	3,009	1,904	3,009	1,904
Net profit/loss for the period	**-2,920**	**-851**	**-13,687**	**-12,932**

Statement of financial position

TDKK	Dec 31, 2025	Dec 31, 2024
ASSETS		
Total non-current assets	**17**	**17**
Other receivables	324	-
Income tax receivables	3,008	1,904
Prepayments	3,380	-
Cash and cash equivalents	26,245	13,371
Total current assets	**32,957**	**15,275**
Total assets	**32,974**	**15,292**
EQUITY AND LIABILITIES		
Contributed capital	7,187	5,897
Retained earnings	22,359	8,885
Total equity	**29,546**	**14,782**
Convertible credit agreement	2,149	-
Total non-current liabilities	**2,149**	**-**
Trade payables	864	366
Other current liabilities	-591	-341
Accrued expenses	1,006	485
Total current liabilities	**1,279**	**510**
Total equity and liabilities	**32,974**	**15,292**

Statement of changes in shareholder equity

TDKK	Contributed capital	Retained earnings	Total
January 1, 2024	**5,498**	**28,525**	**34,023**
Increase of capital	387	17,083	17,470
Costs in connection with increase of capital	-	-241	-241
Purchase of treasury shares	-	-690	-690
Sale of treasury shares	-	13	13
Profit/loss for the period	-	-12,932	-12,932
December 31, 2024	**5,896**	**8,886**	**14,782**
October 1, 2025	**7,187**	**25,279**	**32,466**
Profit/loss for the period	-	-2,920	-2,920
December 31, 2025	**7,187**	**22,359**	**29,546**
January 1, 2025	**5,896**	**8,886**	**14,782**
Share issue	1,291	31,620	32,911
Costs in association with increase of capital		-4,460	-4,460
Profit/loss for the period		-13,687	-13,687
December 31, 2025	**7,187**	**22,359**	**29,546**

Statement of cash flow

TDKK	Q4-2025	Q4-2024	FY-2025	FY-2024
Profit/loss before tax	-5,929	-2,755	-16,696	-14,502
Adjustments for non-cash transactions	-11	-	-102	4,834
Profit/loss before tax, adj for non-cash transactions	**-5,940**	**-2,755**	**-16,798**	**-9,668**
Tax credit	1,904	4,834	1,894	4,834
Cash flow before change in working capital	**-4,036**	**1,742**	**-14,904**	**-22,206**
Interest received	17	2,079	72	499
Interest paid	-		-	-832
Changes in working capital	1,589	-576	-2,935	-2,078
Cash flow from operations	**-2,430**	**1,503**	**-17,767**	**-12,079**
Investing activities	-	-	-	-
Cash flow from investing activities	**-**	**-**		**-**
Financing activities				
Purchase of treasury shares	-	-109	-	-690
Sale of treasury shares	-	2	-	13
New share issue	-	-4	28,451	17,229
Credit agreement with MAC	-	-	2,189	-15,437
Cash flow from financing activities	**-**	**-111**	**30,640**	**1,115**
Cash flow for the reporting period	**-2,430**	**1,392**	**12,873**	**-10,964**
Cash and cash equivalents at the beginning of period	28,674	11,979	13,371	24,336
Cash and cash equivalents at the end of period	**26,245**	**13,371**	**26,245**	**13,371**

BUSINESS TERMS

Business terms - glossary

CNS
The Central Nervous System, a part of the nervous system consisting of the brain and spinal cord.

CTA
Clinical Trial Application which a pharmaceutical company file to EMA in order to obtain permission to ship and test an experimental drug in Europe before a marketing application for the drug has been approved. The approved application is called an Investigational New Drug (IND) in the US.

EMA
European Medicines Agency

Erectile Dysfunction
Erectile dysfunction (ED) or impotence is sexual dysfunction characterized by the inability to develop or maintain an erection of the penis during sexual activity in humans.

FDA
US Food and Drug Administration

Female Sexual Dysfunction
Female sexual dysfunction (FSD) includes a range of issues such as hypoactive sexual desire disorder (low libido), difficulty achieving arousal, pain during intercourse, and inability to reach orgasm.

Hypoactive sexual desire disorder
Investigational New Drug Hypoactive Sexual Desire Disorder (HSDD) is the most common Female Sexual Dysfunction (FSD) affecting adult women of any age, including postmenopausal women. HSDD may have significant effects on the relationships and emotional balance of women and constitutes the most common form of FSD observed in clinical practice.

IND
Investigational New Drug is a program by which a pharmaceutical company obtains permission to ship and test an experimental drug in the US before a marketing application for the drug has been approved. In Europe, the application is called a Clinical Trial Application (CTA).

PUDAFENSINE IP2015
Pudafensine, Initiator's most advanced drug candidate, is a novel drug candidate for the treatment of patients suffering from Erectile Dysfunction (ED) that do not respond to the currently marketed drugs in the PDE5i class (e.g. Viagra©, Cialis©,Levitra©)

IP2018
IP2018, currently in a on-going Phase IIa trial for psychogenic ED.

BUSINESS TERMS

Business terms - glossary

Monoamine re-uptake inhibitor

A monoamine reuptake inhibitor (MRI) is a drug that acts as a reuptake inhibitor of one or more of the three major monoamine neurotransmitters serotonin, norepinephrine, and dopamine by blocking the action of one or more of the respective monoamine transporters.

Neuropathic pain

Neuropathic pain is a complex, chronic pain state that usually is accompanied by tissue injury. With neuropathic pain, the nerve fibers themselves may be damaged, dysfunctional, or injured. These damaged nerve fibers send incorrect signals to other pain centers.

PDE5 inhibitor

A drug used to block the degradative action of the PDE5 enzyme in the smooth muscle cells lining the blood vessels supplying the corpus cavernosum of the penis. These drug, incl Viagra©, Cialis© and Levitra© are used in the treatment of ED and were the first effective oral treatment available for the condition.

FINANCIAL GLOSSARY

Financial Glossary

Earnings per share
Profit/loss for the period divided by the average number of shares outstanding at the end of the period

Operating profit/loss, EBIT
Earnings Before Interest and Taxes (Operating profit/loss)

Equity ratio
Shareholders' equity as a proportion of total assets

Diluted earnings per share
Profit/loss for the period divided by the average number of shares after dilution at the end of the period

Operating margin
EBIT as proportion of revenue

INTERIM REPORT JANUARY - DECEMBER

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2025

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